

Goal 5: Develop Thriving Rural Areas That Maintain a High Quality of Life Achieve one North Carolina by mobilizing the state's resources to create strong regional partnerships and programs that foster broader economic development opportunities in rural North Carolina.

Objective 5.1 – Explore Strategies that Would Increase Localities' Ability to Pay for Infrastructure and Services

Due to the uneven distribution of local economic development resources across North Carolina, many rural communities endure a diminished ability to bear the costs of needed improvements. Ability to pay recognizes that due to low population density, lack of industrial base, and other factors, some economically distressed communities are less able to finance seriously needed services and programs. These communities require assistance to increase their ability to pay. One solution is to work on improving the fiscal condition and management ability of each unit of municipal government "on the fiscal margin." The Rural Development Issues Committee recommends training, technical assistance and enhanced communications between state government, local government, and non-governmental associations.

Progress Measures for Objective 5.1:

1. By 2006, North Carolina should complete an evaluation of ATP measures utilized in funding formulas and restructure problematic formulas as needed.
2. By 2006, North Carolina should provide coordinated means to deliver knowledge, technical assistance and increased outreach to local governments.
3. By 2006, North Carolina should establish a roundtable or forum to discuss high priority local financial needs with providers of knowledge and technical assistance.

Objective 5.1 Action Steps:

1. Evaluate funding formulas that utilize ability to pay (ATP) measures and suggest how the General Assembly and local governments can streamline and alter programs with problematic funding formulas.
 - a. Responsibility: Department of Commerce (lead agency), Rural Center, the School of Government and local and state economic developers
 - b. Deadline: April 2006
 - c. Funding Source: existing resources
 - d. Expected Outcome/Return on Investment: Revised funding formulas with enhanced ATP measures